

Message Text

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C O N F I D E N T I A L STATE 276346

FOR ASSISTANT SECRETARY ENDERS ON HIS RETURN

FOLLOWING TEL SENT ACTION SECSTATE INFO BELGRADE, CANBERRA,
GABORONE, JAKARTA, KINSHASA, LA PAZ, LONDON, LUSAKA, MANILA,
NOUAKCHOTT, OTTAWA, PARIS, PORT MORESBY, SANTIAGO, TEHRAN,
VIENNA, GENEVA, USUN FROM LIMA NOV 20:

QUOTE C O N F I D E N T I A L LIMA 9656

FOR EB - MR. ENDERS; ARA - MR. FISHLOW; TREASURY - MR. PARSKY;
VIENNA FOR UNIDO DELEGATION

DEPARTMENT PASS OTHER POSTS AS APPROPRIATE

E.O. 11652: GDS

TAGS: EMIN, ETRD, XX

SUBJECT: CIPEC MINISTERIAL - RESOLUTION ON STABLIZATION
OF COPPEG MARKET

REF: A) LIMA 9601; B) LIMA 9647; C) LIMA 9653

FOLLOWING IS TEXT OF CLASSIFIED CIPEC RESOLUTION ON
STABLIZATION OF COPPER MARKET, WITH COMMENTS AS
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QUOTE: "LIMA, NOVEMBER 1975 - RESOLUTION ON THE STABILIZATION OF THE COPPER MARKET -

THE VIIIITH SESSION OF THE CONFERENCE OF MINISTERS OF CIPEC MEETING IN LIMA ON NOVEMBER 17-19, 1975, AWARE OF THE URGENT NEED OF ESTABLISHING AN AGREEMENT TO STABILIZE THE COPPER MARKET IN ACCORDANCE WITH THE AIMS OF THE ORGANIZATION AND IN LINE WITH THE SECOND PARAGRAPH OF THE PREAMBLE OF THE CIPEC AGREEMENT.

CONSIDERING THE EFFORTS MADE WITHIN SEVERAL INTERNATIONAL BODIES AND THE RECENT PROGRESS TOWARDS ACHIEVING A NEW ECONOMIC ORDER IN ACCORDANCE WITH THE AIMS OF CIPEC.

WISHING TO CONTRIBUTE IN A CONCRETE AND EFFICIENT MANNER TO THE ACHIEVEMENT OF THESE EFFORTS.

AGREES AS FOLLOWS:

1. CIPEC MEMBER COUNTRIES, REAFFIRMING THE NEED TO PREVENT EXCESSIVE FLUCTUATIONS IN THE PRICE OF COPPER AND THE NEED TO MAINTAIN A PRICE THAT WILL BE FAIR FOR PRODUCERS AS WELL AS CONSUMERS, DECLARE THEIR SUPPORT FOR THE ESTABLISHMENT OF A DIALOGUE BETWEEN COPPER PRODUCING AND CONSUMING COUNTRIES TO ACHIEVE THIS GOAL.

2. THE CONFERENCE REQUESTS THE PRESIDENT AND THE SECRETARIAT TO TAKE ALL NECESSARY INITIATIVES IN PROMOTING THE NEGOTIATION OF A SUITABLE COPPER PRICE STABILIZATION AGREEMENT.

3. IN ORDER TO ALLOW MEMBER COUNTRIES TO EFFECTIVELY PARTICIPATE IN THE DIALOGUE BETWEEN COPPER PRODUCING AND CONSUMING COUNTRIES, THE CONFERENCE DECIDES THAT CIPEC SHOULD PARTICIPATE AS A SPECIALIZED ORGANIZATION IN THE DISCUSSIONS OF THE PARIS CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION WHICH MIGHT AFFECT COPPER. THE EX-COMMITTEE OF CIPEC WILL ALSO DECIDE ON THE PARTICIPATION OF CIPEC IN OTHER INTERNATIONAL FORUMS AT WHICH THIS DIALOGUE TAKES PLACE.

4. THE CONFERENCE NOTES WITH INTEREST THE REPORTS MADE BY REPRESENTATIVES OF UNCTAD AND THE IMF ON THE INTEGRATED

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COMMODITY PROGRAM AND THE FINANCING OF BUFFER STOCKS. THE CONFERENCE REQUESTS THE SECRETARIAT TO PREPARE A DETAILED STUDY OF THE FUNCTIONING AND FINANCING OF A COPPER BUFFER STOCK FOR SUBMISSION TO THE NEXT MEETING OF THE COMMITTEE ON MARKETING POLICY. (EMBASSY COMMENT: ZAMBIANS OPPOSED ANY CONSIDERATION OF A BUFFER STOCK SCHEME AND RELUCTANTLY AGREED TO LANGUAGE AUTHORIZING A STUDY. THE AUSTRALIANS ALSO OPPOSED SUCH A SCHEME

AND SUGGESTED THERE ARE OTHER OPTIONS AVAILABLE TO THE MEMBERS. THE CHILEANS WERE ALSO LUKEWARM TO BUFFER SCHEME MECHANISM. PERUVIANS POINTED OUT THAT AN EARLIER CIPEC MEETING HAD AUTHORIZED A BUFFER STOCK MECHANISM, BUT CHILEANS COUNTERED THAT AT THAT TIME CIPEC WAS ONLY CONSIDERING BUFFER STOCK FOR PRODUCERS. PRESENT SITUATION IS ENTIRELY DIFFERENT, SINCE CIPEC ITSELF REALIZES THAT CONSUMERS WOULD HAVE TO FORM INTEGRAL PART OF ANY EVENTUAL BUFFER STOCK ARRANGEMENT.)

5. THE CONFERENCE ENTRUSTS THE COMMITTEE ON MARKETING POLICY WITH THE RESPONSIBILITY OF CONSTANTLY REVIEWING PROGRESS IN THE DIALOGUE BETWEEN PRODUCERS AND CONSUMERS.

6. THE PRESIDENT OF THE CONFERENCE OF MINISTERS IS ENTRUSTED WITH MAKING THE NECESSARY CONTACTS FOR CIPEC TO PARTICIPATE AS AN OBSERVER IN THE COUNCIL OF ASSOCIATIONS OF PRODUCERS AND EXPORTERS OF RAW MATERIALS AFTER WHICH CIPEC WILL DECIDE ON THE MANNER IN WHICH IT SHALL PARTICIPATE IN THIS COUNCIL. (EMBASSY COMMENT: CHILEANS NOTED THAT SINCE THEY HAD NOT ATTENDED LIMA NON-ALIGNED CONFERENCE WHERE DECISION WAS MADE TO ENDORSE CIPEC'S PARTICIPATION AS AN OBSERVER IN THE COUNCIL OF ASSOCIATIONS OF PRODUCERS AND EXPORTERS OF RAW MATERIALS, THEY WERE NOT INFORMED ABOUT THE GENESIS OF THE IDEA OR THE ROLE CIPEC WOULD PLAY. THUS, THE COMPROMISE LANGUAGE NOTED ONLY THAT AFTER "NECESSARY CONTACTS...CIPEC WILL DECIDE ON THE MANNER IN WHICH IT SHALL PARTICIPATE...")
END QUOTE. DEAN UNQUOTE KISSINGER

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